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ABSTRACT

The increasing prevalence of college students who are not financially dependent upon their parents for anything is discussed. Three basic issues are addressed: (1) the identification of an independent, self-supporting student; (2) the determination of how much money is needed to educate such a student; and (3) the delivery system for needed funds. It is recommended that these students be defined in a completely separate category, with the source of his funds for all purposes being the determining identification factor. The offering of partial financial assistance is seen as the most feasible solution for support, and it requires accurate projections of real costs and available resources. Priorities must be established to guide the distribution of funds. Suggestions are offered for developing budgets. The delivery system issue would be resolved by an option that concentrates funds for education on strictly educational costs in a descending order of priority. The proposed solution calls for utilization of a separate, two-step need analysis involving determination of Basic Opportunity Grant eligibility as well as Supplemental Financial Assistance awarded on the basis of projected yearly income. (LPS)

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TREATMENT OF THE SELF-SUPPORTING, INDEPENDENT STUDENT IN THE NATIONAL ALTERNATE SYSTEM OF NEED ANALYSIS

by

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August, 1972

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PREFACE

This paper is written to provide a basis for discussion about an increasingly significant educational reality: the student who does not depend upon his mother and father for anything, including the costs of obtaining a college education.

At many points, this paper is open-ended in order to seek further explorations. At other points, hopefully, a clear direction is charted so that criticism may lead to further productive work in the field.

The author owes a very real debt of gratitude to Richard Black and William Shaw of the Office of Program Support to the Division of Student Financial Assistance at OE-HEW. These men encouraged a practicing Financial Aid Officer to join with them in the difficult but vital task of suggesting directions for the future in Federal funding of post-secondary education. Such cooperative effort may be the key to achieving the goals we all share for supporting and strengthening our educational system.

I would also like to thank James Nelson, Vice-President of the College Entrance Examination Board, and Alan Mishne, Associate Director, College Scholarship Service, both of whom gave generously of their substantial knowledge.

INTRODUCTION

The Education Amendments of 1972 provide for "special regulations" (Public Law 92-318-Part A, Subpart 1 Sec #411 (3) (C), page 15), to permit Need Analysis for the student who must pay for his own post-secondary education.

Long a difficult and controversial subject of debate, this student is in a very real sense a contradiction in terms.

A full-time student is supposed to spend his productive time being a student. Obviously, this allocation of his effort precludes that effort being directed toward self-support. It has been assumed that a full-time student was dependent on someone for his sustinance.

The source of his support has generally been the nuclear family. The College Entrance Examination Board, in a paper entitled "Report of the Committee on Student Economics", published in 1972, stated: (page 6)

"The 1969-70 bill of $16.16 billion /for the cost of higher education that year in the United States_/ was paid in approximately the following proportions and amounts by the sources indicated:

federal government	12%	$1.91 billion
state and local government	24	3.85
gifts and endowments	6	.90
parents and students (except loans)	53	8.70
student loans	5	.80"

No other source of funding has been developed which seems able to assume the huge burden of that support.

There have always been exceptions, of course. The number was not large, because the total number of college students was not large. In the last one hundred years, the emphasis on equal opportunity in post-secondary education has vastly increased both the total number of students and the number of exceptions.

In the 1960's the figures continued to climb and the end of that decade found more than half of the 18-21 year old population enrolled in institutions of post-secondary education. Even if only 10 or 15 percent of that group of students were somehow classed as lacking in parental support, the actual number of such "exceptions" would now be very large in absolute terms.

For the Fall Semester, 1972, fully one third of all Financial Aid applicants at Dutchess Community College are applying with backgrounds which suggest that they may be declared Independent, Self-Supporting students. This may not be unusual for a community college.

Educational institutions, in fact, have recruited such students by offering ever-increasing opportunity: to continue interrupted educational experiences; to embark on new experiences by attending an institution within commuting distance; to gain previously unavailable specialized training in expanding technical areas; and a whole host of other educational efforts.

At present the larger United States society is debating the effect of the eighteen-year old vote. Does this suggest that the age group merits more responsibility as a group than has been accorded to date? Does legal independence have anything to do with one's status as a student? In the future will this voter become an Independent, Self-Supporting student eliminating the Dependent Student category of student at post-secondary institutions?

The substantial increase in sheer numbers of independent students has caused some interesting problems. Forty-seven year old grandmothers in New York State are attending community colleges to develop technical skills to support themselves for the many productive years still in front of them. Such students are blithly informed by New York State that they "must" provide their parents' income figures in order to gain State funds. Only by long and frustrating additional correspondance may such a hurdle be circumvented; and only one year at a time. The then forty-eight year old grandmother goes through the whole process of proving independence again.

The other extreme is as intriguing. Parents with a very solid financial base are able to have their off-spring live away from home for one year and to cease deducting that student from income tax reports. Although additional paperwork is involved, it is quite possible for such a student to be declared self-supporting and receive large sums of assistance.

The key to this problem, of course, is assistance. From the very modest amounts once needed, the demand has grown to astronomical proportions and the sums currently invested by the Federal Government alone in Independent, Self-Supporting students is substantial. The future for these students must be carefully considered now.

THREE BASIC ISSUES

Three basic issues serve to focus these concerns. They are: 1. The indentification of an Independent, Self-Supporting student; 2. The determination of how much money is needed to educate an Independent, Self-Supporting student; 3. The delivery system for needed funds.

I Identification

The Education Amendments of 1972 read:
(Part A, 1 Sec #411 (3) (C), Page 16)

"The Commissioner shall promulgate special regulations for determining the expected family contribution and effective family income of a student who is determined (pursuant to regulations of the Commissioner) to be independent of his parents or guardians (or the person or persons having an equivalent relationship to such student). Such special regulations shall be consistent with the basic criteria set forth in division (ii) of subparagraph (B)."

which is: (Part A, Subpart 1, Sec #411, (3) (B) (ii)

1. "effective income of the student"
2. "number of dependents"
3. "number of dependents "..." in attendance in a program of post-secondary education"
4. "amount of the assets"
5. "any unusual expenses" ... "such as medical, catastrophe"

Under Part E, Direct Loans, the additional criterian is specified for that program:

(Section #464 (4) (B) (e), page 44)

"In determining, for purposes of clause (1) of subsection (b) of this section, whether a student who is a veteran (as that term is defined in section 101 (2) of title 38, USC) is in need, an institution shall not take into account the income and assets of his parents."

Potentially, the following categories of Independent, Self-Supporting students are therefore possible:

1. single, no dependents
2. married, no children or OD (other dependents)
3. married, one child or OD
4. married, two children or OD
5. married, three children or OD
6. married, four children or more or OD
7. widowed > could be combined, because
8. divorced > "set" income probable
9. separated, special calc.

Financial Aid experience has assumed that the family contribution which is calculated in so many cases, and referred to in the present bill, comes from the student's nuclear family. The question is: How does the Independent, Self-Supporting student compare to that experience? Three possibilities are:

1. The Independent, Self-Supporting student is a catch-all category which cannot be defined. The category merely exists as a convenience for dumping all non-dependent students.

2. The Independent, Self-Supporting student is actually a dependent student who depends on someone besides his own parents. Needs analysis of this category involves hunting around to find a suitable foster parent, be it the College, the government, or someone else.

3. The Independent, Self-Supporting student is a completely separate category of student, with a definable indentity which will permit generalization and still be recognizable.

The third approach seems most reasonable. First, the variety of Independent, Self-Supporting students is as diverse as society itself; while the Dependent student is a very narrow age and experience range with much more predictable limits. Guidelines for dealing with such a wide variety of situations requires different kinds of assumptions. Second, the source of funding for the two groups of students is simply different. A family has to maintain itself, to provide for the basic requirements of living for all its members, and then educate its children/dependents. The Independent, Self-Supporting student is by definition without such ties, but often brings other more difficult problems to consider. For example the status of the spouse with relation to the expected contribution of the student toward his or her educational expenses.

It has been commonly accepted in Needs Analysis philosophy that a young Independent, Self-Supporting student contributes all net earned income and all available assets toward educational expenses. The question is whether a spouse is involuntarily assigned this same responsibility.

To argue that a spouse has an equal right to all family earnings and assets would create a need to split such resources by some formula which equitably treats each party. This approach seems ultimately self-defeating because, as King Soloman is said to have observed, half a child is somehow not as valuable as part-ownership of a whole child. On a more mundane level, it is not possible to mortgage half a house, even if it can be proved that one half that asset belongs to the student.

To argue that a spouse and a student are one the same source of support, however, risks the possibility that the spouse will literally be denied the right to exist because all resources are focused on the educational expenses of the student.

Neither of these extremes seem to serve the public interest of providing equal access to education for all members of society. Marriage ought, therefore, to be recognized because it is a reality of the society; but it ought to be neither encouraged nor discouraged, in so far as that is possible.

Marriage is not required by our society. For this reason, if two people enter into such an arrangement, it must be assumed that certain voluntary but very necessary responsibilities have been assumed by each of them. After the need to provide for food, shelter, clothing and other basic requirements of living, it seems reasonable to assume that, as in the case of families educating their children, the first priority of a marriage can be taken to support the educational endeavors of the two people.

The Bureau of Labor Statistics can generate a basic minimum standard of living budget for two or more people. It seems to be eminently fair that such a standard be used to protect all dependents involved, including the spouse. Above that level, it seems that the family of two or more people created by the marriage ought to be expected to begin contributing to the education of any of its members, including the Independent, Self-Supporting student.

To argue that a spouse has no obligation to educate the spouse, but does bear an obligation to educate the dependent children seems too much of a double standard. Every reasonable approach would suggest that the spouse bears an even greater obligation to educate the spouse because the benefit, both immediate and long-range, is much more likely to accrue to the spouse as a result of that education. The children will leave home and incur their own obligations. The educated spouse will presumably increase the health and general welfare of the living unit. Self-interest alone would suggest the desirability of such an investment.

It must be noted that marriage itself is not a criterian for establishing Independent, Self-Supporting status. It is not the intent of the current Federal legislation to encourage every student to contract for a marriage in exchange for a full-Need calculation by his Financial Aid Officer. Furthermore, it is the intent of current Federal legislation to assist those who have real Need for assistance; and not to provide a free post-secondary education for anyone who wants one. Where a student is married, to a spouse able to pay for that education, therefore, it seems not within the intent of the current legislation to treat that spouse in a special and privileged way.

Other problems include: a) the problem of supporting a spouse and/or children while the breadwinner is an unemployed

student; b) the question of whether or not to support a married couple when both are full-time students; c) the percentage of support to be borne by the Federal Government for a single, unemployed student in relation to the need for total support that such a student brings to full-time status as a student.

It is simply not reasonable to assume that a system designed for older children will suffice for their parents, their neighbors, their legislators, and their teachers as well. Yet, all of these people are going to college now, and in the foreseeable future. A number of systems would seem a more reasonable alternative for dealing with the variety of situations this circumstance presents.

RECOMMENDATION

That the Independent, Self-Supporting student be defined as a completely separate student category. The determining factor identifying this student is the source of his funds for all purposes. At this writing, it is envisioned that only two categories of students are considered in all of student financial assistance; and that it is not possible for a student to be in both categories at the same time. Transfer from one category to another would require the most careful scrutiny; going from the obvious case of death of parents to the very often extremely difficult generation gap kinds of family stress where support is cut off or rejected in a Dependent student situation.

Nevertheless, eventually the source of funds for all purposes will indicate the appropriate category for needs analysis calculation.

II COST

Paying the cost of a college education can quickly become a difficult problem. Standard budgets used by Financial Aid Officers usually include:

A. Educational Costs

1. Tuition
2. Required Fees
3. Books and Supplies

B. Living Costs

1. Food
2. Housing
3. Clothing and Personal Care
4. Medical Care
5. Transportation
6. Small miscellaneous costs

Needs Analysis for the Dependent student has traditionally involved reaching a reasonable total of the above figures, calculating a family contribution which is then subtracted from that total, and arriving at a need figure.

Following this same process for a student who by definition has no family contribution raises some problems. First, the actual costs of Item B. "Living", may be considerably higher. The table below presents some of these cost differentials:

Budget Item	SELF-SUPPORTING STUDENTS	DEPENDENT STUDENTS
Housing	Must pay all of it: $60-200 per month average.	Charged with only his share: $200 per month mortgage=5 member family= $40 per month.
Food	Quantities hard to buy, may have to eat in restaurants, has to absorb total cost. May have family to feed.	Shares with family=5 member family=split weekly bill and food 5 ways.
Clothing	Has to do own maintenance, buy sewing machine, pay for cleaning.	Mother sews, perhaps, shar clothing in family, possibility for bulk purchasing or capital available for buying at sale time rather than when needed desperately.
Medical Care	Has to pay own insurance, cover emergencies	Part of family health policy, probably very low montly share of cost.
Transportation	Must cover all costs, estimated at well over $1000 per year for average auto. Trend seems to be away from building dormatories; Community Colleges not always accessible by public transporcation. Independent student more likely to go to Community College because dormitories hard on family life!	Family may share second car, rides. Insurance added to family insurance. Dependent student tends to be younger, more likely to be at resident college.

The effect of unusual or extreme cost situations in the establishment of an Independent, Self-Supporting student's budget needs consideration. Can any additional allowance be made by the eligibility system for the example of very high, prolonged medical costs?

In most previous need analysis systems there has been the opportunity for a Financial Aid Officer to intervene and modify a budget when clearly documented and reasonable unusual costs existed which lowered the actual amount of funds available to the student. Such flexibility should be built into any new system.

If an Independent, Self-Supporting student is supporting an indigent family member, for example, and is bound to pay $1100 per year for institutional support and treatment of that family member, it would seem unreasonable for a contribution to be demanded from that same $1100. It would seem relatively easy to permit applicants to supply documentation for what they consider highly unusual and required expenses which ought to be protected from taxation for this purpose.

Not to provide such a service would create an overly rigid system which might just transfer financial burden to other social agencies and/or cause undue suffering which would be detrimental to the student's attempts to be effective as a student.

Second, the family contribution as a concept has traditionally included a self-help or student contribution as a part of the total contribution. The unmarried, Independent, Self-Supporting student might reasonably be expected to continue this tradition. But what of the 37 year old housewife who earns no funds and spends her "free" time raising three children? What, in fact, about the single student who must support himself while earning that "self-help", and finds that the Cost of Living is somewhat high: Project the following Summer job:

Gross Summer Earnings	$1000	Declining Balance
Taxes & Social Security	125	$875
Cost of Food, Housing, and Living Expenses at $200 per month	600	275
Eye Examination and new perscriptions	50	225
NET AVAILABLE FOR COLLEGE		$225

And next summer he'll need a tooth out! Or something!

Among the solutions to this problem are the following:

1. Offer no additional assistance to help an Independent, Self-Supporting student meet his Costs. This would essentially eliminate that student from post-secondary education, except for part-time status.

2. Offer complete assistance to meet full need as justified by actual cost of living statistics. While a splendid idea, and admittedly without research to back it up, this seems nevertheless unrealistic in terms of the funding available to help all students in the foreseeable future.

3. Offer partial assistance, based on some form of equitable distribution of available funds.

RECOMMENDATION

The offering of partial assistance is the most feasible solution. This will require accurate projections of real cost and available resources. Priorities must be established which guide the distribution of funds. The simple comparison of Need may not be satisfactory for the more complicated cases of Independent, Self-Supporting students.

Very little experience has been gained with these students. Many colleges still refuse to acknowledge any other status than Dependent; and these Financial Aid Officers calculate Independent, Self-Supporting students against a Dependent student budget. Other colleges, somehow blessed with at least temporary sufficiency of staff and funds, have calculated every Independent, Self-Supporting student separately; on his own budget. Both extremes are ultimately unsatisfactory if large numbers of students are to be educated at the smallest per student cost.

This problem might be attacked in the following way:

A. At first, adopt a standard budget for the Cost of Living in the United States, and update it regularly. Factor the budget for the different kinds of Independent, Self-Supporting students (married, single, etc) Using this as a base, add the Item A Educational Costs of the student's school to the base to arrive at the total budget. A hypothetical example would be:

1. Student Jones	College A	College B
Single, no children		
Cost of Living	$2250	$2250
Educational Costs		
a) Tuition	600	2600
b) Fees	200	60
c) Books and Supplies	150	150
TOTAL BUDGETS	$3200	$5060

2. Student Smith		
Married, one child		
Cost of Living	$4000	$4000
Educational Costs		
a) Tuition	600	2600
b) Fees	200	60
c) Books and Supplies	150	150
TOTAL BUDGETS	$4950	$6810

B. Apply funding to meet Educational Costs first. All Independent, Self-Supporting students would be expected to contribute their own self-help toward Cost of Living expenses first.

C. As Educational Costs are met by financial aid funds, begin to aid those students least able to meet Cost of Living expenses.

D. If a student's self-help could more than fill his Cost of Living, his funds would be applied toward his Educational Costs before financial aid was applied.

E. Assume in this process that all Independent, Self-Supporting student have already established the fact they receive no calculable assistance from their parents; although such help could be counted against the budget as part of self-help if for any unusual reason it should come along.

Under such an approach, it would be a short range goal to meet all Educational Costs for all Independent, Self-Supporting students who could not provide such funding.

Would the long-range goal be to meet, from all sources, the entire Budget for these students?

Two technical recommendations are:

1. The Independent, Self-Supporting student budget should be calculated on a 12 month, fiscal year basis. Such a student must plan for that period of time, even if he is in school only nine months. It makes no sense to

ignore food, housing and other needs;without which he is highly unlikely to continue as a student the following Autumn.

2. When gathering background fiscal data, at least a three year set of income figures should be secured: Last year, this year, projected year. An Independent, Self-Supporting student's financial situation can change rapidly, as in marriage, birth of children, etc. A student may apply for aid while working full time, only to have to quit that job to go to school.

III Education and Flexibility the Delivery System

Time Magazine, Vol 100, No. 3, July 17, 1972, pg. 48:

"'What are you doing for us?' The old man demanded of Bruce Bauer, director of Community services for North Hennepin State Junior College in suburban Minneapolis. The answer was simple: nothing. Unlike most community colleges, however, North Hennepin decided to offer tuition-free courses specifically designed for the elderly, including, for a start, seminars on lip reading, physical fitness and organizing for "senior power." The response was spectacular. Expecting only 100, the college enrolled about 400 - some on crutches, others in wheelchairs."

Who is paying for these tuition-free courses? ... "the Federal Older Americans Act" ..., says the article. It is doubtful that many of the students are Dependent.

Education is a public activity. Public support maintains, and should maintain "private" higher education as well. But the various segments of the public also intend to participate in what they maintain. It seems the height of the ridiculous to tell a taxpayer he isn't entitled to his share of what his taxes support. If a man works for twenty years and pays many thousands of dollars in taxes; then looses his job through no fault of his own and needs to re-train himself, can he be denied at any institution he has helped to build and support? Equal access will come to mean more than a year or two of experience at the age of eighteen or nineteen.

The Independent, Self-Supporting student will account for the ever-widening involvement of the public in post-secondary education. The Dependent student is already involved; has been for years. But there is only a limited number of 18-22 year olds, while the range of Independent, Self-Supporting student is as wide as society's age ranges.

It is therefore, particularly important to develop policy and procedures in this area in line with this trend of the future.

Several questions need answers:

1. What is "Education's" responsibility to the Independent, Self-Supporting student?

Education must serve every member of our society equally. No one can be excluded.

That is not to say that individual institutions of Education will not specialize; and that these same institutions will not flunk students unable or unwilling to learn that speciality or develop that skill.

Each member of society must have an equal opportunity to develop what he is into what he can become (to paraphrase the State University of New York's motto).

In financial aid terms this means that available funds must be allocated to every student in the land who finds that the lack of that money keeps him from his opportunity.

2. How, then, does the choice get made between the various kinds of students?

Given the present way post-secondary education is funded (a much longer paper!) the methods available for delivering student financial aid to the students who need it most are limited to: a) some form of analysis of need, or b) a blanket distribution to all who wish to be students. Primary and secondary education have followed the later course, but post-secondary educations has run into limits of funding, educational philosophy, cultural and social values, and all the rest of a long list.

If the educational philosophy of blanket distribution for post-secondary education is what is coming; that is, post-secondary education truly available for anyone who wants it and can pass whatever skills and learning are required - then the final answer regarding choice of students has no relevance.

For the short run, however, very hard choices will have to be made - and are being made every day in every Financial Aid Office in the Country. Funds will not be available to help every student. That is reality!

Some options for dealing with this problem are:

1. Aid all Dependent needy students first with the argument that they have no visable means of support other than the soon-to-be withdrawn succorance of the family hearth.

2. Aid all Independent, Self-Supporting students, first, with the argument that they already have no visable means of support and this at least keeps them off the streets.

3. Aid all students on a single, sliding scale of need; developed on the theory that those students with the highest absolute need; regardless of budget, should have the largest share of the funds available.

4. Aid all students, equally but utilizing a separate two step Need Analysis for Independent, Self-Supporting students. Step one: BOG eligibility should be determined on a Base Year of the fiscal year prior to entry into college, adjusted for reasonable fluctuations in income over more than one year. Step two: Supplemental Financial Assistance would be awarded on the basis of the Projected year Income.

RECOMMENDATION

I favor the fourth option because it concentrates funds for Education on strictly educational costs in a descending order of priority.

This option would remove the present cruel imbalance between the Independent, Self-Supporting student and the Dependent student. The Dependent student goes off to school, where friendly tax dollars pay his room and board bills with pleasure. The Independent, Self-Supporting student remains at home and is told to pay for his own food and housing. That inequity will not long endure! Aid to students has to help them all, Dependent and Independent, Self-Supporting, equally.

"The Education Amendments of 1972" mandates the Commissioner of Education to develop criteria by which federal aid, and particularly the new Basic Opportunity Grant, is to be awarded. The law is a bit contradictory, in that Part A, Subpart 1, Sec #411 a (1) states "The Commissioner shall, during the period beginning July 1, 1972, and ending June 30, 1975, pay to each student ..." (underlining the author's); but later, on the same page 13 of the law, under Part A, Subpart 1, Sec #411, (2) (B) (iii) "Pursuant to criteria established by the Commissioner by regulation, the institution of higher education at which a student is in attendance may award a basic grant ..." (underlining the author). Not wishing to second-guess the attorneys who make such matters their speciality, this paper will assume that somebody will give or award or otherwise transmit the funds. The following is a discussion of the system which might be used.

THE DELIVERY SYSTEM

The problem of determining eligibility for the Basic Opportunity Grant (BOG) ought to reflect the intent of the legislation that students who cannot pay the cost of education should be the ones to get available aid.

Independent, Self-Supporting students are, by definition in the position of caring for themselves prior to the educational experience. Seeking out the "needy" among them should consist of discovering which of them cannot provide for the cost of education over and above the cost of simple survival. This effort is complicated by the fact that the financial situation of the student may be considerably altered by his attendance to educational matters rather than to efforts of self-support. Contrasted to this must be the assumption that it was not the intent of Congress to provide an opportunity for every citizen to give up gainful employment and enroll in post-secondary education.

It may be necessary, therefore, to use a two step system for determining "Total Need" for an Independent, Self-Supporting student:

A. For BOG purposes, the base year for eligibility should be the fiscal year just passed; to determine at what level the student was supporting himself. Students capable of supporting themselves should be allowed to do so while educating themselves; as a practical matter of distributing available funds.

The Procedure would be:

1. Determination of appropriate Bureau of Labor Statistics Budget (BLS).

2. Determination of appropriate Educational Costs - tuition, fees, and books.

3. Determination of accurate Base Year Total Income - adjusted for tax with holding to reach available funds.

4. Compare BLS Budget and Total Available Income.

   a) If Total Available Income is greater than BLS Budget, the balance of Total Available Income becomes the equivalent of the Family Contribution. BOG eligibility is determined by subtracting that balance from a potential BOG maximum entitled of $1,400.00. If the Total Available Income balance exceeds $1,400.00, there is no BOG eligibility.

   b) If Total Available Income is less than BLS Budget, the student is eligible for a full BOG.

B. When significant fluctuation occurs in the financial situation of the Independent, Self-Supporting student, it is the responsibility of the Financial Aid Officer to adjust the base year figure to represent the true gross income capacity of the student. For example:

> Student Peterson, married, 27 years old, has been in the Army for the last four years and his wife, with 4 years experience as a school librarian, has been at home taking care of two young children for the last two years.
>
> Income: Past year - $4,000
> Present year - 5,000
> Projected year - 2,000
>
> After the student begins school, his wife goes back to work at $11,500 per year. The student's real base year income should be adjusted to the $11,500 figure.

Data-gathering documents for BOG eligibility should attempt to seek out information which would reveal this kind of possibility.

C. After BOG need calculations, supplemental financial assistance should be calculated on the basis of the projected year budget; since Independent, Self-Supporting students are particularly vulnerable to changing financial situations due to the requirements of student status.

D. In cases where BOG need calculation indicated no eligibility it would still be possible to award regular financial assistance toward the total cost of education; covered by other forms of financial aid.

An example of a Total Need calculation might be:

Student Jones, age 28, married, with a wife and two children, Total Available Income: Past year - $6400
Present year - 6800
Projected year - 2000

No significant assets
Bureau of Labor Statistics Budget: $5640
Educational Costs:
(Tuition, Fees, Books) 1860
Total budget $7500

Need Analysis

A. BOG

Total Available Income	$6800
BLS Budget for this family	5640
Amount above Budget, taken to be the equivalent of family Contribution	$1160

B.	BOG Total allowable	$1400
	"Family Contribution"	1160
	BOG eligibility	$ 240

C.	Secondary Assistance	
	Total Budget	$7500
	Projected year Total Available Income	2000
	Total Need:	$5500
	BOG eligibility	240
	Supplemental Need:	$5360

Apply existing guidelines for existing programs, so Need can be packaged. Possible package:

SEOG	$1,000
NDSL	1,000
Gilp	1,500
	$3,500

with a gap of $1860 which would have to be met by additional borrowing and/or (and strongly recommended) a better yield on the employment income. Wife could work; CWSP might be utilized to improve student's earnings.

Counseling with the above student would be critical. It would be wiser, in many cases, to reduce the academic loan from full-time to part-time studying; thus permitting the earnings to continue at support levels which are satisfactory for maintanance of the family.

An additional problem is the treatment of assets for an Independent, Self-Supporting student. Possible solutions range from the generally current policy of taking all assets and applying them to educational costs; to a highly protective policy of saving most assets on the argument that they do not belong to the student alone but equally to him and his dependents. The best resolution of this situation seems to be a fairly uniform and relatively strong position of assuming that available assets will be committed to the costs of education. The student is, after all, making an investment in himself which may be assumed to have some benefit to him; justifying a reasonable expectancy that he will pay what he can for that investment.

All liquid assets of the Independent, Self-Supporting student should be available to support the costs of post-secondary education; until that student reaches the age of 30 years. At that point, it may be reasonable to assume that the student has begun to incur some financial responsibility for other dependents and/or his own future and some protection should be extended to

his over-all financial position. From the age of 30 to the age of 60 years, the sum of $5000 in liquid assets should be protected to serve this purpose. Non-liquid assets ought not to be considered in the calculation of eligibility.

A liquid asset can be cash, savings accounts, stocks, bonds and mutual funds; any possession which can be readily and relatively conveniently converted into legal tender.

Residence equity is not considered a liquid asset. Automobiles and other consumer purchases are not considered liquid assets, although the presence of substantial estate equity or consumer goods of considerable value is an indication to the Financial Aid Officer that the student has less need than might be apparent from the application for assistance.

Outstanding debts, excluding educational loans, should be subtracted from liquid assets before a contribution toward educational expenses is expected. These debts should not include, however, the normal consumer debts for goods and services such as appliances, automobiles, clothes and entertainment.

After the age of 60 years, no asset in any form should be assessed for contribution toward meeting educational costs.

When the total amount of assets has been derived which will be assessed to determine the contribution toward costs, that total should be divided by the number of years of education which the student reasonably will require to complete his educational goals. The result of that division should be added to the total contribution toward costs for any given year.

For BOG purposes, the following table is proposed to outline criteria for each group of students:

	Independent, Self-Supporting	Dependent
1.	Receives no financial support from Mother, and/or Father; or any other member of his family for any purpose: including both Educational and Cost of Living Expenses. Support is defined as an amount of $200 or more in any fiscal year.	Receives or is able to receive or could be expected to receive financial support from Mother and/or Father; or any other member of his family; or any other person (other than a public agency) standing in locoparentis; for any purpose normally associated with the Cost of Living or the Cost of Education, or both
2.	Has not been taken as a Dependent by anyone other than himself and/or spouse on any State or Federal Tax Report on the Calendar Year prior to the Academic Year for which the aid is requested; and will not be taken as a Dependent under these conditions for the current or future calendar years in which aid might be received.	Has been taken as a Dependent by either parent or by someone else in loco parentis (other than spouse) in the last Calendar Year, or will be taken as a Dependent for the current or future calendar years in which aid might be received by either parent or some other person (other than spouse).
3.	Has not resided, and will not reside with parents or others acting as legal guardians (excluding a public agency) during the calendar year (s) in which aid is received or the preceding calendar year. If a student lives with his parents but pays, in cash, an amount equal to his board and room costs, and if he can document these payments, then the educational institution shall have the discretion to consider the student to be self-supporting if he meets all other criteria.	Has resided or will reside with parents or others acting as legal guardians (excluding a public agency) during the calendar year (s) in which aid is received or the preceding calendar year. Residence does not include temporary visits of up to three weeks at a time.
4.	Has been, prior to the date of application, independent and self-supporting by necessity.	Has had available the support and assistance of parents or other person acting in loco parentis (not public agency).
5.	Has established herself/himself as a head-of-household, and may have dependents.	Is still a part of someone else's household.

A student whose parents or others acting as legal guardians have died or became permanently disabled during the calendar year (s) in which aid is received or the prior calendar year is eligible for consideration as an Independent, Self-Supporting student even if he has met the financial, tax exemption, and residence criteria for Dependence prior to that event.

Any student aided as an Independent, Self-Supporting student prior to July 1, 1972, who would not qualify as a self-supporting student on the basis of this regulation may continue to be aided as an Independent, Self-Supporting student until he received the degree for which he was working prior to July 1, 1972. The BOG program would have no such people, of course, since it begins after that date.

SUMMARY

The goal of equal opportunity for all members of society is clear. The methods for achieving that goal must respect the uniqueness of the members of society.

It is time to balance the needs of eighteen year olds with the needs of the rest of society. It is time to balance the needs of individuals in many different walks and styles of life.

RESOURCES

The American College Testing Program "Handbook for Financial Aid Officers", 1971 Edition, Iowa City, Iowa.

College Entrance Examination Board "Manual for Financial Aid Officers", 1971 Edition New York City, New York.

College Entrance Examination Board "Report of the Committee on Student Economics", 1972, New York City, New York.

Conference Report No. 92-798, to accompany S. 659 Ordered to be printed May 22, 1972.

Public Law 92-318, 92nd Congress, S. 659, signed into law on June 23, 1972.